



**State of Utah**

**Department of  
Natural Resources**

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*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HULSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

January 27, 2006

CERTIFIED RETURN RECEIPT  
7002 0510 0003 8603 2465

Holiday Construction, Inc.  
Jerry Holiday  
700 East Brown Canyon Road  
P.O. Box 502  
Blanding, Utah 84511

Subject: Five-Year Review of Reclamation Surety Estimate, Holiday Construction, Inc.,  
Lime Ridge Mine, M/037/081, San Juan County, Utah

Dear Mr. Holiday:

Thank you for providing the information requested for the five-year review of the Lime Ridge Mine. The Division finds based on the information reviewed along with a site visit, that the only changes required for the reclamation cost estimate is a five-year escalation. The surety escalated to the year 2011 is \$55,300. A Surety Estimate Update is attached for your use. Please provide the updated surety within 60 days or no later than March 31, 2006.

Please contact Beth Ericksen at (801) 538-5318 ([BethEricksen@utah.gov](mailto:BethEricksen@utah.gov)) to obtain the current bonding forms and information to amend the reclamation contract. Current bonding forms and information are also found on the Division's web page at <http://ogm.utah.gov/minerals/>. Please fax a "draft" copy of the documents to (801) 359-3940 for review prior to finalizing the surety.

If you are unable to provide the surety within this timeframe, please contact the Division with justification for requesting additional time. Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,

Susan M. White  
Mining Program Coordinator  
Minerals Regulatory Program

SMW:jb  
Attachment: Surety estimate update  
cc: John Blake, STILA (ML 45960)  
Doug Jensen, DOGM  
Beth Ericksen, DOGM  
P:\GROUPS\MINERALS\WP\M037-SanJuan\M0370081-LimeRidge\final\01182006bond-escal.doc

# SURETY ESTIMATE UPDATE

Holiday Construction, Inc.

18-Jan-06

Lime Ridge Mine

FILE # M/037/081

San Juan County

Prepared by Utah Division of Oil, Gas & Mining

Last Update

DATE

23-Mar-01

## DESCRIPTION:

-Previous reclamation surety estimate was \$50,600 in year 2000 dollars

-Reclamation Estimate base amount calculated in 2000-\$

-This update adjusts the surety amount for escalation only.

-Escalation factors through 2004 are actual Means Historical Cost Indices

-Total disturbed area = 11.5 ACRES

CALCULATIONS	YR	ESCAL FACTOR	BOND AMOUNT
$F = P(1 + i)^{**n}$	1995	0.0193	\$0.00
F = Future Sum	1996	0.0242	\$0.00
P = Present Sum	1997	0.0236	\$0.00
i = Escalation Factor	1998	0.0502	\$0.00
n = number of periods	1999	0.0191	\$0.00
	2000	0.0244	\$43,380
Three Yr Average =1.20%	2001	0.0421	\$45,206
Used to Project 5 Yrs	2002	0.0171	\$45,979
From the Year 2005	2003	0.0840	\$49,842
	2004	0.0200	\$50,838
	2005	0.0120	\$51,448
	2006	0.0120	\$52,066
	2007	0.0120	\$52,691
	2008	0.0120	\$53,323
	2009	0.0120	\$53,963
	2010	0.0120	\$54,610
	2011	0.0120	\$55,266
Updated Surety Amount Rounded (2011-\$)			\$55,300

\*\* Average cost per acre = 4806 (\$/ACRE)